

Message Text

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ACTION AF-18

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FRB-02 NSAE-00 RSC-01 TRSE-00 XMB-07 OPIC-12 SPC-03

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R 141230Z MAR 74

FM AMEMBASSY KINSHASA

TO USIA WASHDC

INFO SECSTATE WASHDC 6977

AMEMBASSY LAGOS

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SUBJ: IMV RESEARCH TRIP FOR DOCUMENTARY FILM ON

AFRICAN ECONOMIC DEVELOPMENT AND U.S. INVESTMENT

REF: USIA 3857

1. POST ENTHUSIASTIC CONCERNING DOCUMENTARY FILM OUTLINED
REFTEL. BELIEVE ZAIRE OFFERS SEVERAL EXCELLENT OPPORTUNITIES
DEMONSTRATE BENEFICIAL EFFECT OF U.S. INVESTMENT ON AFRICAN
ECONOMIC DEVELOPMENT.

2. INGA-SHABA POWER LINE AND INGA HYDROELECTRIC PROJECT ENORMOUS
PROJECT WHOSE LENGTH -- 1130 MILES -- IS DWARFED ONLY BY COST
INVOLVED -- ESTIMATED 500 MILLION DOLLARS, MUCH OF IT FINANCED BY
EXIM BANK AND A CONSORTIUM OF COMMERCIAL BANKS. PROJECT WILL BRING
IN AMERICAN TECHNICIANS AND ENGINEERS AS WELL AS AMERICAN GOODS
VALUED AT 250 MILLION DOLLARS. THIS IS MAJOR PROJECT
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DESIGNED TO DEVELOP RICH HYDRO-ENERGY RESOURCES OF ZAIRE

WHICH WILL PROVIDE REQUIRED ENERGY FOR THE LARGE COPPER INDUSTRY OF SHABA. POST THUS RECOMMENDS LOCATION TRIP TO INGA II, SITE OF DAM WHERE CONSTRUCTION NOW IN PROCESS.

3. POST BELIEVES LOCATION TRIP TO KOLWEZI, SITE OF POWER LINE COMPLETION AND TO SMTF COPPER PLANT MIGHT ALSO BE BENEFICIAL, PARTICULARLY FOR VISUAL JUXTAPOSITION OF BOTH EXTREMES OF PROJECT.

4. COMPLETION OF ING II IS TIED IN WITH TRANSMISSION LINE TOKOLWEZI WHOSE COMPLETION IS CONNECTED IN TURN WITH COMPLETION OF SMTF, A 500 MILLION DOLLAR COPPER PLANT IN WHICH THERE ARE LARGE US CAPITAL INTERESTS. IN ADDITION, GOZ OWNED GECAMINES COPPER INDUSTRY UNDERGOING 1974-1979 300 MILLION DOLLAR EXPANSION ITS FACILITIES WHICH WILL REQUIRE ADDITIONAL ENERGY TO PRODUCE COPPER.

5. GULF OIL HAS 50 PERCENT INTEREST IN CONSORTIUM WITH JAPANESE AND BELGIAN COMPANIES FOR PRODUCTION OF OIL DISCOVERED RECENTLY OFF COAST OF ZAIRE. PRODUCTION EXPECTED TO BEGIN IN APRIL 1975 AND BY JUNE 1975 TO REACH 25,000 BPD OF HIGH QUALITY, LOW SULPHUR OIL. POST RECOMMENDS TRIP TO OIL RIGS OFF COAST OF ZAIRE NEAR MOANDA AND TO GOZ REFINERY IN VICINITY. TO DATE, ZAIRE OIL-IMPORTING COUNTRY, BUT WITH GULF ASSISTANCE THIS PROJECT, ZAIRE MAY SOON BECOME SELF-SUFFICIENT IN OIL.

6. GM AUTO PLANT IN KINSHAS UNDER CONSTRUCTION, EXPECT TO BEGIN ASSEMBLY OCTOBER 1974. GOODYEAR HAS FUNCTIONING TIRE PRODUCTION PLANT IN KINSHASA. BOTH THESE PROJECTS WHOLLY-OWNED SUBSIDIARIES OF PARENT COMPANIES, THOUGH ZAIRIAN MANAGEMENT BECOMING MORE AND MORE EVIDENT, PARTICULARLY AT GOODYEAR, WHICH HAS EXTENSIVE TRAINING PROGRAM FOR ZAIRIAN EMPLOYEES. ALL THIS BECOMES EVEN MORE IMPORTANT IN LIGHT OF RECENT CHANGES IN GOZ ECONOMIC POLICY. THUS, SITUATION FAR FROM IDEAL IN TERMS OF IMV DESIRES RELATING TO LARGE LOCAL OWNERSHIP AND/OR MANAGEMENT, BUT POST BELIEVE PORPOSALS HEREIN ARE IMPRESSIVE AND WILL PROVIDE GOOD FOOTAGE.

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7. FIRST NATIONAL CITY BANK, ONLY U.S. COMMERCIAL BANK IN ZAIRE, HAS LARGE VOLUME LOANS IN MANY AREAS OF ECONOMIC ACTIVITY IN COUNTRY.

8. AID HAS LARGE TRANSPORTATION PROGRAM IN ZAIRE AS WELL AS SMALLER-SCALE AND MORE LOW-PROFILE PUBLIC HEALTH PROGRAMS.

9. POST BELIEVES THAT ABOE SUGGESTIONS REPRESENT BEST

POSSIBILITIES FOR DEVELOPING PLANNED PROJECT IN ZAIRE.

10. POST HAS DISCUSSED ALL ABOVE WITH ECON/COMM COUNSELOR WHO MOST EAGER COOPERATE IN PROJECT AND ASSIST POST IN ARRANGING APPROPRIATE INTERVIEWS AND LOCATION RESEARCH FOR BUTLER UPON ARRIVAL KINSHASA.

11. POST WOULD APPRECIATE ANY ADDITIONAL DETAILS IMV AND AGENCY MIGHT PROVIDE PRIOR BUTLER ARRIVAL SO KINSHASA TIME MAY BE MOST FULLY UTILIZED. PRESUME ETA AS LISTED REFTEL IN EFFECT UNLESS OTHERWISE NOTIFIED.
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